COMFORTDELGRO CORPORATION LIMITED
Company Registration Number : 200300002K

Financial Statements and Dividend Announcement for the year ended 31 December 2010

The Board of Directors announces the audited results of the Group for the year ended 31 December 2010.

1 GROUP INCOME STATEMENT

	Group		
	FY 2010	FY 2009	Incr / (Decr)
	$'m	$'m	%
Revenue	3,206.9	3,051.8	5.1
Staff costs	(991.1)	(960.3)	3.2
Contract services	(378.7)	(334.0)	13.4
Depreciation and amortisation	(290.9)	(279.9)	3.9
Materials and consumables	(263.4)	(255.6)	3.1
Fuel and electricity costs	(234.8)	(213.3)	10.1
Repairs and maintenance	(167.2)	(174.2)	(4.0)
Road and diesel taxes	(113.7)	(109.8)	3.6
Insurance premiums and accident claims	(110.1)	(119.8)	(8.1)
Taxi drivers' benefits	(77.8)	(74.2)	4.9
Premises costs	(70.8)	(67.6)	4.7
Utilities and communication costs	(21.0)	(20.8)	1.0
Vehicle leasing charges	(18.4)	(16.5)	11.5
Advertising production costs	(14.9)	(11.7)	27.4
Other operating expenses	(65.7)	(64.2)	2.3
Total operating expenses	(2,818.5)	(2,701.9)	4.3
Operating profit	388.4	349.9	11.0
Net income from investments	7.2	5.6	28.6
Finance costs	(35.7)	(29.1)	22.7
Share of profit in associates	6.4	7.7	(16.9)
Profit before taxation	366.3	334.1	9.6
Taxation	(78.1)	(58.4)	33.7
Profit after taxation	288.2	275.7	4.5
Attributable to :			
Shareholders of the Company	**228.5**	**219.5**	**4.1**
Non-controlling interests	59.7	56.2	6.2
	288.2	275.7	4.5

Certain comparative figures have been reclassified to conform to current year's presentation.

2 STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009
	$'m	$'m	$'m	$'m
ASSETS				
Current assets				
Short-term deposits and bank balances	566.7	485.6	219.9	225.7
Available-for-sale investments	5.8	10.1	5.8	10.1
Trade receivables	103.3	98.8	-	-
Other receivables and prepayments	228.8	177.1	0.8	1.6
Grant receivables	18.9	16.5	-	-
Due from subsidiaries	-	-	55.1	84.0
Finance lease receivables	18.3	20.7	-	-
Inventories	58.7	54.6	-	-
Total current assets	1,000.5	863.4	281.6	321.4
Non-current assets				
Subsidiaries	-	-	1,273.2	1,328.4
Associates	125.9	122.3	88.9	88.9
Available-for-sale investments	18.9	29.2	7.2	12.9
Grant receivables	300.0	244.1	-	-
Finance lease receivables	13.9	13.2	-	-
Vehicles, premises and equipment	2,381.4	2,236.5	16.4	18.2
Taxi licences and bus operating rights	387.4	405.7	-	-
Goodwill	145.8	129.1	-	-
Deferred tax assets	7.6	8.6	-	-
Total non-current assets	3,380.9	3,188.7	1,385.7	1,448.4
Total assets	4,381.4	4,052.1	1,667.3	1,769.8
LIABILITIES AND EQUITY				
Current liabilities:				
Borrowings	188.2	130.4	-	-
Trade and other payables	543.8	522.2	23.5	20.1
Trade payables for buses	16.6	43.3	-	-
Deferred grant income	17.1	15.7	-	-
Due to subsidiaries	-	-	649.2	814.1
Fuel price equalisation account	20.0	-	-	-
Insurance premiums payable and provision for accident claims	85.5	98.3	-	-
Income tax payable	27.0	42.5	3.6	3.2
Total current liabilities	898.2	852.4	676.3	837.4
Non-current liabilities				
Borrowings	523.1	466.4	-	-
Deferred grant income	301.9	244.8	-	-
Other liabilities	109.7	116.9	0.1	0.1
Fuel price equalisation account	20.0	34.1	-	-
Deferred tax liabilities	180.9	125.6	0.2	0.2
Total non-current liabilities	1,135.6	987.8	0.3	0.3
Capital, reserves and non-controlling interests				
Share capital	565.5	561.7	565.5	561.7
Other reserves	54.6	48.0	19.7	18.5
Foreign currency translation reserve	(18.9)	(5.2)	-	-
Accumulated profits	1,199.3	1,085.5	405.5	351.9
Equity attributable to shareholders of the Company	1,800.5	1,690.0	990.7	932.1
Non-controlling interests	547.1	521.9	-	-
Total equity	2,347.6	2,211.9	990.7	932.1
Total liabilities and equity	4,381.4	4,052.1	1,667.3	1,769.8

Certain comparative figures have been reclassified to conform to current year's presentation.

3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

	31 Dec 2010 $ 'm	31 Dec 2009 $ 'm
Secured		
Amount repayable in one year or less, or on demand	61.8	58.9
Amount repayable after one year	416.8	406.7
	478.6	465.6
Unsecured		
Amount repayable in one year or less, or on demand	126.4	71.5
Amount repayable after one year	106.3	59.7
	232.7	131.2
Total		
Amount repayable in one year or less, or on demand	188.2	130.4
Amount repayable after one year	523.1	466.4
	711.3	596.8

Details of any collateral

Details of the total secured borrowings of $478.6 mil are as follows:

a $264.7m relates to financing of vehicles under hire purchase arrangements;
b $81.6m relates to borrowings of subsidiaries secured by vehicles; and
c $132.3m relates to borrowings of a subsidiary secured by a charge over the assets.

4 GROUP CASH FLOW STATEMENT

		Group	
		Full Year 2010	Full Year 2009
		$'m	$'m
Operating activities:			
Profit before taxation		366.3	334.1
Adjustments for:			
Depreciation and amortisation		290.9	279.9
Finance costs		35.7	29.1
Interest income		(6.4)	(6.4)
Share-based payment expense		2.3	2.1
Net loss on disposal of vehicles		6.5	8.8
Share of profit in associates		(6.4)	(7.7)
Others		8.5	8.6
Operating cash flows before movements in working capital		697.4	648.5
Changes in working capital		(61.0)	132.2
Cash generated from operations		636.4	780.7
Income tax paid		(43.8)	(52.3)
Net cash from operating activities		592.6	728.4
Investing activities:			
Purchases of vehicles, premises and equipment		(536.7)	(507.7)
Less: Vehicles purchased under finance lease arrangements		45.7	61.0
Proceeds from disposal of vehicles		96.1	77.5
Cash payments on purchases of vehicles, premises and equipment		(394.9)	(369.2)
Proceeds from disposal of available-for-sale investments		15.3	5.0
Purchases of taxi licences		(0.8)	(5.3)
Increase in investment in subsidiaries		(0.3)	(0.3)
Proceeds from divestment of associates		12.1	-
Acquisition of subsidiaries, net of cash	a	(46.8)	(179.8)
Divestment of a subsidiary, net of cash	b	0.7	-
Interest received		6.7	6.4
Dividend received		8.3	5.6
Net cash used in investing activities		(399.7)	(537.6)
Financing activities:			
New loans raised		220.2	268.5
Repayment of borrowings		(150.7)	(251.5)
Capital contribution (to) from non-controlling shareholders of subsidiaries		(4.4)	40.1
Proceeds from exercise of share options of the Company		3.5	0.7
Proceeds from exercise of share options of subsidiaries		1.7	0.2
Interest paid		(35.3)	(29.2)
Proceeds from unclaimed dividends		0.2	0.2
Dividends paid to shareholders of the Company		(112.1)	(104.9)
Dividends paid to non-controlling shareholders of subsidiaries		(28.0)	(21.5)
Net cash used in financing activities		(104.9)	(97.4)
Net effect of exchange rate changes in consolidating subsidiaries		(6.9)	(16.1)
Net increase in cash and cash equivalents		81.1	77.3
Cash and cash equivalents at beginning of year		485.6	408.3
Cash and cash equivalents at end of year		566.7	485.6

a: Summary of the effects of acqusition of subsidiaries:	Group Full Year 2010 $'m	Group Full Year 2009 $'m
Net (assets) liabilities acquired :		
Current assets	(4.6)	(4.0)
Non-current assets	(38.1)	(220.3)
Current liabilities	1.0	17.5
Non-current liabilities	6.6	63.0
Net assets acquired	(35.1)	(143.8)
Goodwill on acquisition	(14.2)	(33.0)
Total purchase consideration	(49.3)	(176.8)
Less (add): Cash (overdraft) on acquisition of subsidiaries	2.5	(3.0)
Cash flow on acquisition, net of cash	(46.8)	(179.8)

b: Summary of the effects of divestment of a subsidiary:	Group Full Year 2010 $'m	Group Full Year 2009 $'m
Net assets (liabilities) divested :		
Current assets	0.9	-
Non-current assets	2.6	-
Current liabilities	(2.3)	-
Net assets divested	1.2	-
Gain on divestment	0.5	-
Proceed from divestment	1.7	-
Non-controlling interests	(0.6)	-
Less: Cash on divestment of a subsidiary	(0.4)	-
Cash flow on divestment, net of cash	0.7	-

5 GROUP COMPREHENSIVE INCOME STATEMENT

	Group	
	Full Year 2010	Full Year 2009
	$'m	$'m
Profit after taxation	288.2	275.7
Fair value gain on cash flow hedges	2.1	0.6
Fair value gain on available-for-sale investments	0.6	1.5
Exchange differences on translation of foreign operations	(16.4)	52.0
Actuarial adjustment on defined benefit plans	0.9	(9.5)
Other comprehensive income (expense) for the year	(12.8)	44.6
Total comprehensive income for the year	275.4	320.3
Attributable to:		
Shareholders of the Company	217.5	236.1
Non-controlling interests	57.9	84.2
	275.4	320.3

6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the year ended 31 December 2010:

	Group						
	Attributable to shareholders of the Company					Non-controlling interests	Total equity
	Share capital	Other reserves	Foreign currency translation reserve	Accumulated profits	Total		
	$m	$m	$m	$m	$m	$m	$m
Balance at 1 January 2009	560.9	50.7	(29.2)	974.4	1,556.8	419.9	1,976.7
Total comprehensive income (expense) for the year	-	(7.4)	24.0	219.5	236.1	84.2	320.3
Recognition of share-based payments	-	2.1	-	-	2.1	-	2.1
Exercise of share options	0.8	(0.1)	-	-	0.7	-	0.7
Payment of dividends	-	-	-	(104.9)	(104.9)	-	(104.9)
Other reserves	-	2.7	-	(3.5)	(0.8)	17.8	17.0
Balance at 31 December 2009	561.7	48.0	(5.2)	1,085.5	1,690.0	521.9	2,211.9
Total comprehensive income (expense) for the year	-	2.7	(13.7)	228.5	217.5	57.9	275.4
Recognition of share-based payments	-	2.3	-	-	2.3	-	2.3
Exercise of share options	3.8	(0.3)	-	-	3.5	-	3.5
Payment of dividends	-	-	-	(112.1)	(112.1)	-	(112.1)
Other reserves	-	1.9	-	(2.6)	(0.7)	(32.7)	(33.4)
Balance at 31 December 2010	565.5	54.6	(18.9)	1,199.3	1,800.5	547.1	2,347.6

Statement of Changes in Equity of the Company for the year ended 31 December 2010:

	Company			
	Share capital	Other reserves	Accumulated profits	Total equity
	$'m	$'m	$'m	$'m
Balance at 1 January 2009	560.9	15.9	302.7	879.5
Total comprehensive income for the year	-	0.9	154.1	155.0
Recognition of share-based payments	-	1.8	-	1.8
Exercise of share options	0.8	(0.1)	-	0.7
Payment of dividends	-	-	(104.9)	(104.9)
Balance at 31 December 2009	561.7	18.5	351.9	932.1
Total comprehensive income for the year	-	-	164.9	164.9
Recognition of share-based payments	-	2.1	-	2.1
Exercise of share options	3.8	(0.3)	-	3.5
Payment of dividends	-	-	(112.1)	(112.1)
Other reserves	-	(0.6)	0.8	0.2
Balance at 31 December 2010	565.5	19.7	405.5	990.7

7 CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

During the financial year, the Company issued 2,645,000 new ordinary shares following the exercise of share options under the ComfortDelGro Employees' Share Option Scheme (ComfortDelGro Scheme).

As at 31 December 2010, the total number of issued shares was 2,088,865,663 (31 December 2009: 2,086,220,663).

Outstanding Shares – ComfortDelGro Employees' Share Option Scheme

As at 31 December 2010, options to subscribe for 57.6 million ordinary shares (31 December 2009: 49.4 million ordinary shares) remained outstanding under the ComfortDelGro Scheme.

8 AUDIT

The financial statements have been audited in accordance with the Singapore Standards on Auditing.

9 AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMFORTDELGRO CORPORATION LIMITED

Report on the Financial Statements

We have audited the financial statements of ComfortDelGro Corporation Limited (the Company) and its subsidiaries (the Group) which comprise the statements of financial position of the Group and the Company as at 31 December 2010, the income statement, comprehensive income statement, statement of changes in equity and cash flow statement of the Group and statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2010 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP
Public Accountants and
Certified Public Accountants

Cheung Pui Yuen
Partner
Appointed on 30 April 2008

Singapore
14 February 2011

10 ACCOUNTING POLICIES

The Group has applied accounting policies and methods of computation in the financial statements for the current reporting year consistent with those of the audited financial statements for the year ended 31 December 2009.

In the current financial year, the Group has adopted all the revised Financial Reporting Standards ("FRSs") that are relevant to its operations and effective for annual periods beginning on 1 January 2010.

The following are the revised FRSs that are relevant to the Group:

FRS 27 (Revised)	-	Consolidated and Separate Financial Statements
FRS 103 (Revised)	-	Business Combinations

The adoption of these revised FRSs has no material effect on the amounts reported for the current or prior years.

11 CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

Not applicable.

12 GROUP EARNINGS PER ORDINARY SHARE AND GROUP EARNINGS BEFORE INTEREST, TAXATION, DEPRECIATION AND AMORTISATION (EBITDA)

Earnings per ordinary share

		Group	
		Full Year 2010	Full Year 2009
(i)	Based on weighted average number of ordinary shares in issue - cents	10.95	10.52
(ii)	On a fully diluted basis (detailing any adjustments made to the earnings) - cents	10.93	10.51

EBITDA

		Group	
		Full Year 2010	Full Year 2009
(i)	EBITDA ($'m)	679.3	629.8
(ii)	EBITDA margin (%)	21.2	20.6

13 NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009
Net asset value per ordinary share based on issued share capital - cents	86.20	81.01	47.43	44.68

14 REVIEW OF GROUP PERFORMANCE

Performance Review

Group revenue of $3,206.9m for 2010 was $155.1m or 5.1% higher compared to $3,051.8m for 2009. The increase came mainly from the Bus Business, the Taxi Business, the Rail Business, the Vehicle Inspection and Testing Business, the Driving Centre Business, the Bus Station Business and the Car Rental and Leasing Business offset by a decrease in the Automotive Engineering Services Business. While Group revenue actually increased by $206.1m this was partially eroded by the negative foreign currency translation effect of $51.0m.

Group operating expenses of $2,818.5m for 2010 were $116.6m or 4.3% higher compared to $2,701.9m for 2009. These were due to increases in payments to drivers for contract services in line with the increases in cashless transactions, contracted services for the Youth Olympic Games and Irish Citylink, higher staff costs, higher fuel and electricity costs, higher depreciation and amortisation with a newer fleet, higher materials and consumables from higher costs of diesel purchased for resale offset by lower costs of dealership vehicles from the divestment of Sichuan Car Servicing, higher road and diesel taxes from the absence of savings from the Singapore Government Budget, higher taxi drivers benefits, higher advertising production costs in tandem with the increase in Advertising revenue, higher premises costs due to enhancements to security fencing for the Singapore bus depots and absence of property tax rebates and higher vehicle leasing charges offset by lower insurance premiums and accident claims. While operating expenses actually increased by $165.0m, the increase was mitigated by a positive foreign currency translation effect of $48.4m.

Consequently Group operating profit of $388.4m for 2010 was $38.5m or 11.0% higher compared to $349.9m for 2009. The negative foreign currency translation effect on Group operating profit for the year was $2.6m.

Net income from investments increased by $1.6m to $7.2m in 2010 mainly from the gains on divestment of Shenxin Bus and Sichuan Car Servicing and the absence of an impairment provision taken in 2009.

Finance costs increased by $6.6m from $29.1m for 2009 to $35.7m for 2010 due to the increase in borrowings for the purchases of buses by ComfortDelGro Cabcharge and SBS Transit.

Share of profit in associates decreased by $1.3m from $7.7m for 2009 to $6.4m for 2010 from a lower contribution by Cabcharge Australia compensated by a higher contribution by ComfortDelGro Insurance Brokers.

Group profit before tax of $366.3m for 2010 was $32.2m or 9.6% higher compared to $334.1m for 2009.

Taxation for the Group of $78.1m for 2010 was 21.3% of Group profit before tax compared to $58.4m or 17.5% for 2009. The effective tax rate for 2009 was lower due to the one-time investment allowance in Australia and the tax relief from the Singapore Government Budget.

As a result Group profit attributable to Shareholders of the Company of $228.5m for 2010 increased by $9.0m or 4.1% compared to $219.5m for 2009.

Non-controlling interests for 2010 increased by $3.5m to $59.7m as profits at subsidiaries with non-controlling interests were higher.

Revenue from Overseas for 2010 was 43.0% of Group revenue compared to 43.5% for 2009. Operating profit from Overseas increased to 42.3% of Group operating profit compared to 40.0% a year ago.

A segmental breakdown by **Business** is provided under item 17.

Revenue of $1,614.4m from the Group's **Bus Business** for 2010 was $81.3m or 5.3% higher compared to $1,533.1m for 2009. Actual revenue increased by $107.1m but was partly eroded by the negative foreign currency translation effect of $25.8m. Operating profit of $149.2m for 2010 was $25.3m higher compared to $123.9m for 2009.

In Singapore, SBS Transit's Bus revenue of $549.0m for 2010 was an increase of $3.0m compared to that for 2009 due to the increase in average daily bus ridership and one-time bus chartering income from the Youth Olympic Games offset by lower average fares. Including the $36.3m from Bus Advertising and Rental, the total revenue of $585.3m for 2010 was higher by $8.2m compared to $577.1m for 2009. Operating profit of $39.1m for 2010 was $2.6m lower compared to $41.7m for 2009 due mainly to higher fuel costs, higher depreciation and higher premises costs.

ComfortDelGro Bus's revenue of $33.3m for 2010 increased by $8.5m compared to that for 2009 due mainly to contracted services for the Youth Olympic Games. Operating profit of $2.0m was $0.1m lower than that of 2009 due to higher fuel costs and lower Jobs Credit in 2010 compared to 2009.

In the UK, revenue of $562.0m from the Bus Business for 2010 was $31.5m lower than that for 2009 due to the negative currency translation effect of $46.6m from the weaker £ compensated by an increase in revenue of $15.1m. Operating profit from the UK Bus Business of $45.2m for 2010 was $0.7m lower compared to $45.9m for 2009.

In Australia, revenue of $373.0m from the Bus Business for 2010 was higher by $96.3m compared to that for 2009 with more services generating $71.0m and the stronger A$ providing a positive currency translation effect of $25.3m. Operating profit of $65.6m for 2010 was $25.8m higher compared to that for 2009.

In China, revenue of $60.8m from the Bus Business for 2010 was $0.2m lower than that for 2009. Operating loss for 2010 was $2.7m compared to the loss of $5.6m for 2009 as higher fuel and concessionary travel subsidies were received in 2010 compared to 2009.

Revenue from the Overseas Bus Business for 2010 was 61.7% of Group Bus revenue compared to 60.7% for 2009 while operating profit for 2010 was 72.5% of Group Bus operating profit compared to 64.6% a year ago.

Revenue of $981.9m from the Group's **Taxi Business** for 2010 was $54.3m or 5.9% higher compared to $927.6m for 2009 due to the increase in Singapore and the first time contribution by Swan Taxis in Perth following its acquisition in October 2010 offset by decreases in the UK, China and Vietnam. While revenue actually increased by $74.7m, this was partly reduced by the negative currency translation effect of $20.4m. Operating profit from the Group's Taxi Business of $119.3m for 2010 was $14.1m or 13.4% higher than the $105.2m for 2009.

In Singapore, revenue of $696.0m from the Taxi Business for 2010 was $61.1m or 9.6% higher compared to $634.9m for 2009 due to higher rental income from a larger fleet and more new replacement taxis and a higher volume of cashless transactions. Operating profit of $76.4m for 2010 increased by $18.0m or 30.8% compared to $58.4m for 2009.

In the UK, revenue of $149.5m from the Taxi Business for 2010 was $6.3m lower than that for 2009 as the increase in revenue of $6.1m was insufficient to compensate for the negative currency translation effect of the weaker £ of $12.4m. Operating profit of $6.8m for 2010 was $0.8m lower than that for 2009.

Following its acquisition in October 2010, Swan Taxis in Perth contributed revenue and operating profit of $4.5m and $1.1m respectively.

In China, revenue of $124.5m from the Taxi Business for 2010 was $4.7m lower compared to $129.2m for 2009. The decrease in revenue was due to the negative currency translation effect of the weaker RMB of $7.2m eroding completely the actual increase in

revenue of $2.5m. Operating profit of $34.2m for 2010 was $4.4m lower compared to $38.6m for 2009 due mainly to higher mandatory social security contributions for staff.

In Vietnam, revenue of $7.4m from the Taxi Business for 2010 was $0.3m lower than that for 2009 as the negative currency translation effect of $1.1m was higher than the actual increase in revenue of $0.8m. Operating profit of $0.8m for 2010 was $0.2m higher compared to $0.6m for 2009 due mainly to gains on disposal of old taxis.

Revenue from the Overseas Taxi Business for 2010 was 29.1% of Group Taxi revenue compared to 31.6% a year ago while operating profit for 2010 was 35.9% of Group operating profit compared to 44.5% for 2009.

Revenue of $22.7m from the **Bus Station Business** in China for 2010 increased by $1.3m from $21.4m for 2009 in spite of a negative foreign currency translation effect of $1.3m due to the growth in the number of passengers using the Station. Operating profit of $10.6m was $0.3m higher compared to $10.3m for 2009.

Revenue of $121.7m from the **Rail Business** for 2010 was $12.5m or 11.5% higher than that for 2009 due to the increase in average daily riderships on the North East Line and Light Rail Transit. Including Advertising and Rental of $12.7m, the total revenue of $134.4m was $14.7m higher than the $119.7 for 2009. The Rail Business achieved an operating profit of $25.6m which was $5.1m or 24.9% higher compared to $20.5m for 2009.

Revenue of $395.1m from the **Automotive Engineering Services Business** for 2010 was $11.2m lower than that for 2009 due mainly to fewer buses assembled and the divestment of the car dealership business in Chengdu. Operating profit of $39.1m for 2010 was $12.1m lower compared to $51.2m for 2009 due to the lower revenue and higher cost of materials.

Revenue of $86.0m from the **Vehicle Inspection and Testing Business** for 2010 was $6.5m higher compared to $79.5m for 2009. The increase came from the higher number of cars inspected by VICOM and higher sales achieved by Setsco Services. The operating profit of $27.3m was $2.6m higher than that for 2009.

Revenue of $38.3m from the **Driving Centre Business** for 2010 was $4.1m higher than that for 2009 with higher enrolments at the driving centres in China and Singapore. Operating profit of $11.4m for 2010 was $1.7m higher than that for 2009.

Revenue of $33.7m from the **Car Rental and Leasing Business** for 2010 increased by $0.3m compared to $33.4m for 2009. Operating profit of $5.9m for 2010 increased by $1.5m compared to $4.4m for 2009.

Statement of Financial Position

The Statement of Financial Position of the Group as at 31 December 2010 remained strong. Total Equity increased by $135.7m from $2,211.9m as at 31 December 2009 to $2,347.6m as at 31 December 2010 due to profits generated for the year partially reduced by the payment of dividends.

Total Assets increased by $329.3m to $4,381.4m as at 31 December 2010 due to an increase in current assets by $137.1m and an increase in non-current assets by $192.2m. The increase in current assets was due mainly to the increase in short-term deposits and bank balances and other receivables and prepayments. The increase in non-current assets was due to the acquisition of new buses and taxis and the increase in grant receivables in Australia.

Total Liabilities increased by $193.6m to $2,033.8m as at 31 December 2010 due to an increase in current liabilities by $45.8m and an increase in non-current liabilities by $147.8m. The increase in current liabilities was due mainly to a portion of long-term loans becoming current. The increase in non-current liabilities was due mainly to the issuance of the SBS Transit Medium Term Notes, deferred grant income and deferred tax liabilities.

Cash Flow

As at 31 December 2010, the Group had cash and short-term deposits of $566.7m and liquid investments of $24.7m which totalled $591.4m. After accounting for the borrowings of $711.3m, the Group had a net debt position of $119.9m and a net gearing ratio of 5.1%. The Group's gross gearing ratio as at 31 December 2010 was 30.3% compared to 27.0% as at 31 December 2009.

15 GROUP OUTLOOK

Revenue from the Bus Business in Singapore is expected to increase from a likely increase in ridership. Advertising revenue is expected to be lower as 2010 had the benefit of one-off events which are not expected in 2011. Rental revenue is expected to be maintained. Revenue from the Bus Business in the UK is expected to continue to be affected by the currency translation effect. Revenue from the Bus Business in Australia is expected to improve with more services while revenue from the China Bus Business is expected to be maintained.

Revenue from the Rail Business is expected to benefit from an expected increase in ridership.

Revenue from the Bus Station Business in Guangzhou is expected to be maintained.

Revenue from the Taxi Business in Singapore is expected to improve with an expected increase in cashless transactions and more replacement taxis. Revenues from the China, UK and Vietnam taxi businesses are expected to be maintained.

Revenue from the Automotive Engineering Services Business is expected to improve.

Revenue from the Driving Centre Business is expected to be maintained.

Revenue from the Vehicle Inspection and the Test and Inspection Business in Singapore is expected to improve.

Revenue from the Car Rental and Leasing Business is expected to be maintained.

Given the inflationary pressures in the countries we are in, managing the costs including fuel and electricity of our operations effectively will be challenging. The Group will continue to seek suitable opportunities for growth.

16 DIVIDEND

(a) Current Financial Period Reported On

Proposed final dividend

Name of Dividend	Final
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	2.80 cents
Tax Rate	Exempt one-tier

Declared interim dividend

Name of Dividend	Interim
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	2.70 cents
Tax Rate	Exempt one-tier

(b) Corresponding Period of the Immediate Preceding Financial Year

Proposed final dividend

Name of Dividend	Final
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	2.67 cents
Tax Rate	Exempt one-tier

Declared interim dividend

Name of Dividend	Interim
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	2.63 cents
Tax Rate	Exempt one-tier

(c) Date Payable

The Directors have proposed a tax-exempt one-tier final dividend of 2.80 cents per ordinary share. The proposed final dividend, if approved by the Shareholders at the Eighth Annual General Meeting of the Company to be held on 27 April 2011, will be payable on 16 May 2011.

(d) Books Closure Date

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 5 May 2011 for the purposes of determining shareholders' entitlements to the proposed final dividend.

Duly completed and stamped transfers received by the Company's Share Registrars, B.A.C.S. Private Limited, 63 Cantonment Road, Singapore 089758 up to 5.00 p.m. on 4 May 2011 will be registered before shareholders' entitlements to the final dividend are determined.

Shareholders (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares as at 5.00 p.m. on 4 May 2011 will be entitled to the proposed final dividend.

17 SEGMENT INFORMATION

Business Segments

Full Year 2010	Bus	Bus Station	Rail	Taxi	Automotive Engineering Services	Vehicle Inspection & Testing	Car Rental & Leasing	Driving Centre	Elimination	Total
	$'m	$'m	$'m	$'m	$'m	$'m	$'m	$'m	$'m	$'m
Revenue										
External sales	1,612.2	22.7	134.4	981.9	300.1	83.7	33.6	38.3	-	3,206.9
Inter-segment sales	2.2	-	-	-	95.0	2.3	0.1	-	(99.6)	-
TOTAL	1,614.4	22.7	134.4	981.9	395.1	86.0	33.7	38.3	(99.6)	3,206.9
RESULT										
Operating profit	149.2	10.6	25.6	119.3	39.1	27.3	5.9	11.4	-	388.4
Net income from investments										7.2
Finance costs										(35.7)
Share of profit in associates										6.4
Profit before taxation										366.3
Taxation										(78.1)
Profit after taxation										288.2
Non-controlling interests										(59.7)
Profit attributable to shareholders of the Company										228.5
OTHER INFORMATION										
Additions of vehicles, premises and equipment	225.8	1.5	1.0	300.8	1.7	11.1	11.8	2.5	-	556.2
Additions to taxi and other licenses	-	-	-	0.8	-	-	-	-	-	0.8
Additions to goodwill, net	-	-	-	14.2	-	-	-	-	-	14.2
Depreciation expense	121.1	1.5	1.1	141.7	2.8	5.8	11.3	2.1	-	287.4
Amortisation expense	0.1	-	-	3.4	-	-	-	-	-	3.5
Provision for impairment loss recognised in income statement	-	-	-	7.8	-	-	-	-	-	7.8
STATEMENT OF FINANCIAL POSITION										
ASSETS										
Segment assets	2,074.7	22.5	29.1	1,132.1	77.1	59.8	88.0	28.5	-	3,511.8
Associates	-	-	-	125.9	-	-	-	-	-	125.9
Goodwill	107.8	-	-	22.4	0.1	13.5	1.5	0.5	-	145.8
Cash, fixed deposits, equities & bonds										590.6
Deferred tax assets										7.6
Consolidated total assets										4,381.7
LIABILITIES										
Segment liabilities	723.1	18.1	32.3	249.4	51.5	18.7	9.5	12.0	-	1,114.6
Borrowings										711.3
Income tax payable										27.0
Deferred tax liabilities										180.9
Consolidated total liabilities										2,033.8

Full Year 2009	Bus	Bus Station	Rail	Taxi	Automotive Engineering Services	Vehicle Inspection & Testing	Car Rental & Leasing	Driving Centre	Elimination	Total
	$'m	$'m	$'m	$'m	$'m	$'m	$'m	$'m	$'m	$'m
Revenue										
External sales	1,530.9	21.4	119.7	927.6	307.4	77.3	33.3	34.2	-	3,051.8
Inter-segment sales	2.2	-	-	-	98.9	2.2	0.1	-	(103.4)	-
TOTAL	1,533.1	21.4	119.7	927.6	406.3	79.5	33.4	34.2	(103.4)	3,051.8
RESULT										
Operating profit	123.9	10.3	20.5	105.2	51.2	24.7	4.4	9.7	-	349.9
Net income from investments										5.6
Finance costs										(29.1)
										326.4
Share of profit in associates										7.7
Profit before taxation										334.1
Taxation										(58.4)
Profit after taxation										275.7
Non-controlling interests										(56.2)
Profit attributable to shareholders of the Company										219.5
OTHER INFORMATION										
Additions of vehicles, premises and equipment	408.0	0.3	3.8	154.9	1.9	6.1	12.8	3.0	-	590.8
Additions to taxi and other licenses	123.2	-	-	18.7	-	-	-	-	-	141.9
Additions to goodwill, net	33.0	-	-	0.3	-	-	-	-	-	33.3
Depreciation expense	108.7	1.4	1.2	141.3	2.9	5.6	13.4	1.9	-	276.4
Amortisation expense	0.1	-	-	3.3	0.1	-	-	-	-	3.5
Provision for impairment loss recognised in income statement	0.7	-	-	5.6	-	-	-	-	-	6.3
STATEMENT OF FINANCIAL POSITION										
ASSETS										
Segment assets	1,912.5	22.8	28.9	1,053.6	74.3	53.6	96.7	26.0	-	3,268.4
Associates	12.6	-	-	109.7	-	-	-	-	-	122.3
Goodwill	105.2	-	-	8.3	0.1	13.5	1.5	0.5	-	129.1
Cash, fixed deposits, equities & bonds										524.0
Deferred tax assets										8.6
Consolidated total assets										4,052.4
LIABILITIES										
Segment liabilities	710.9	16.2	27.1	229.1	52.2	18.6	9.9	11.3	-	1,075.3
Borrowings										596.8
Income tax payable										42.5
Deferred tax liabilities										125.6
Consolidated total liabilities										1,840.2

Geographical segmental information for Full Year 2010

	Revenue		Non-current assets*		Additions to non-current assets*	
	Full Year 2010	Full Year 2009	Full Year 2010	Full Year 2009	Full Year 2010	Full Year 2009
	$'m	$'m	$'m	$'m	$'m	$'m
Singapore	1,832.8	1,729.2	1,374.7	1,268.7	372.2	319.7
United Kingdom/ Ireland	711.5	749.3	282.3	292.5	46.2	44.2
China	274.7	285.0	417.2	479.2	25.3	43.0
Australia	377.5	276.7	823.6	716.5	117.0	354.5
Vietnam	7.4	7.7	12.5	9.2	8.8	2.6
Malaysia	3.0	3.9	4.3	5.2	1.7	2.0
Total	3,206.9	3,051.8	2,914.6	2,771.3	571.2	766.0

* Comprising vehicles, premises, equipment, taxi licences, bus operating rights and goodwill.

18 BREAKDOWN OF REVENUE

		Full Year 2010	Full Year 2009	Increase/ (Decrease)
		$'m	$'m	%
(a)	Revenue reported for first half year	1,556.2	1,474.9	5.5
(b)	Operating profit after tax before deducting minority interests reported for first half year	142.9	138.3	3.3
(a)	Revenue reported for second half year	1,650.7	1,576.9	4.7
(b)	Operating profit after tax before deducting minority interests reported for second half year	145.3	137.4	5.7

19 BREAKDOWN OF TOTAL ANNUAL DIVIDEND (IN DOLLAR VALUE)

	Full Year 2010	Full Year 2009
	$'m	$'m
Ordinary shares (tax-exempt one-tier)		
- Interim	56.4	54.8
- Final (proposed)	58.5	55.7
Total	114.9	110.5

20 INTERESTED PERSON TRANSACTIONS

There were no interested person transactions of or over $100,000 in value entered into during the financial year under review.

BY ORDER OF THE BOARD

Chan Wan Tak, Wendy
Company Secretary

14 February 2011